

MINUTES
City of Newport
Urban Renewal Advisory Committee Meeting
City Hall Council Chambers
Monday, July 27, 2015

Advisory Committee Members Present: Ralph Busby, Rod Croteau, Jon Conner, Wayne Belmont, Ken Brown, Chris Chandler, Frank Geltner, Don Mann, Don Huster, Lorna Davis, Caroline Bauman, Bill Posner, and Robert McAfee.

Advisory Committee Members Absent: Birgitte Ryslinge, Tim Kaufman

Consultant: Elaine Howard.

City Staff Present: City Manager/Urban Renewal Agency Executive Director Spencer Nebel, Community Development Director Derrick Tokos, and Executive Assistant Wanda Haney.

Call to Order: The meeting came to order at 10:02 a.m.

Goals and Objectives: Howard noted there were handouts of the agenda and the goals and objectives on the table. For the guests from the community, she explained that this was the third meeting of the advisory committee. Going over the agenda, Howard said that today's meeting is to look at the goals and objectives for both Areas; the Newport North Side Urban Renewal Area and the McLean Point Urban Renewal Area (the Port's Urban Renewal Area), as she and Tokos have now named them. She explained that the committee will look at the goals and objectives, look at the different plan components, and talk about some issues with writing the actual plan on amendments that we have to deal with and administration. She said as part of the report they have to add in socio-economic data; so they thought they'd share that information with the committee. On McLean Point, we'll also go over the goals and objectives. She asked the audience members to hold their questions until the end so that we could get through the whole agenda. Howard said she could stay after the meeting to answer any questions they may have. Then we do have the open house tonight from 6:00 p.m. to 7:30 p.m. She told the audience if they wanted to come to that, it's an open house where we'll talk more about generals of what Urban Renewal is and how it works, and go over some of what we're doing here but not in the specificity, and then leave more time for questions and input.

Showing the map, Howard noted they made the adjustments to the Urban Renewal Areas and do have the tie between the Agate Beach area and the south. She said that's the area boundary as it looks right now. Going on to goals and objectives, Howard noted that an Urban Renewal Plan is required to have goals and objectives, and those are usually built upon the basic parts of your existing plans; the Comprehensive Plan, the Economic Opportunity Analysis, and the Port's plans. All projects have to be covered under a goal and objective; so we do those together. We do the goals and objectives, we look at the projects, we make sure all the projects are covered under the goals and objectives, and also make sure the goals and objectives are broad enough so that in the future if you need to or want to add a project you are able to do that. You could still do that if it wasn't covered under the goals and objectives, you would just have to go in and amend your goals and objectives, too. The goals and objectives provide a general basis for what your Urban Renewal Plan hopes to accomplish within the Urban Renewal Area.

Howard said that one of the parts of adopting an Urban Renewal Plan is taking it to the Planning Commission who has to find that the Plan conforms to the Comprehensive Plan. Then the City Council makes another finding that the Urban Renewal Plan conforms to your Economic Development Plan. So, when they're developing these, they work back and forth between all of those documents to make sure that they're all incorporated and work together so that you have a valid and working Urban Renewal Plan. She said Newport's Administration has been very vocal that they want public involvement to be a key component of the Urban Renewal Plan. That's why we have the Advisory Committee, why we have so many meetings, and why we're having two open houses; which is more than most cities do. She said Newport is very committed to the public involvement portion of the Urban Renewal Plan.

Howard said that in our Comprehensive Plan there is a goal very similar to the goal she was showing here, which is to "maintain a citizen involvement program that ensures opportunity for involvement." So she embellished that a little bit to pull it into the Urban Renewal Plan. Then one of the objectives is to "provide opportunities for public input through the implementation process." She said that part of that is what we're doing here, and that meeting tonight; so that conforms to this. She and Tokos have been talking about the best way to continue that ongoing public involvement. Different Urban Renewal Agencies do that in different ways. Sometimes they have an ongoing advisory committee that advises the Urban Renewal Agency. The Urban Renewal Agency is the implementation agency of an Urban Renewal Plan, which in Newport's case is the City Council. There aren't citizens on that other than the elected citizens for the City Council. She said sometimes cities decide they also want some other form of advice to come from some kind of group. She wanted to talk about three different ways and get the group's input. One way is to have the Planning Commission be the advisory group. The next slide listed the pros and cons, which she said she

would be covered for each of these. A second way is to create a separate Urban Renewal advisory committee that would be comprised of something similar to this group but smaller in scale so it represents taxing jurisdictions and citizens at large just to give advice on projects and programs. Another way agencies do it is to convene an advisory committee when there's something that changes; maybe a new project is envisioned or a new program, or they decide they want to spend a lot of money doing something they already had in their Urban Renewal Plan but didn't have quite so much money allocated. So they'll convene just an ad hoc advisory committee that will give advice usually on one or two specific issues. She said those are the three she has seen give Urban Renewal Agencies advice.

Going over the pros and cons for each of these options, Howard said for the one using the Planning Commission, the reason this one might be effective is that they are already responsible for the different plans that happen within the city; and Urban Renewal is one component of that. The Planning Commission also has to review all of the substantial amendments as one of their responsibilities. There are two refinement plans called for in the Urban Renewal Plan that we have budgets for; so it would make sense because they would already be tracking those refinement plans. They already have set dates for their meetings. Someone is already taking minutes for those meetings and getting information out. That is why this might work well. The con is that the Planning Commission may not have representatives for the businesses, the neighborhood residential areas, or the taxing jurisdictions.

The pro for a special Urban Renewal Advisory Committee is that you can design the committee so that it does represent all of the different groups; the businesses, the residential, the taxing jurisdictions. The negative to that is that it does add different layers of responsibility to the City to administer the Plan. They have to set up meetings. They have to set up someone to take minutes. So, it adds administrative responsibility cost.

The ad hoc advisory committee really has the benefits of both. You can make sure you include all representatives; people from the residential community, the businesses, and the taxing jurisdictions. Tokos said the con would be it doesn't really address the minor amendment side; but we could set it up such that the Planning Commission serves that purpose. He said it's a legitimate concern that the Planning Commission does not necessarily have the full representation of the businesses and taxing entities that are the most impacted by Urban Renewal. He said the challenge in doing option two, which is a standing committee, is that we may not have enough work for them for a number of years to start with; and it would be hit and miss. He said, as Howard pointed out, the City is already strapped with actually providing sufficient administrative support to the committees we have, let alone adding additional committees. Tokos thought the nice thing about the ad hoc approach is that the Planning Commission already has a statutory role on major amendments; they have to be involved there. We can bring in an ad hoc committee and form them for any major amendment proposed to ensure the taxing entities and other key players are at the table. Then for the minor amendments, which are going to happen on a more frequent basis, use the Planning Commission for that purpose. He said since, as Howard pointed out, they are already familiar with all of the plans the City has to put together; which in many respects feed the Urban Renewal Plan in terms of its projects.

Mann asked what's an example of a major amendment; a boundary change? Tokos confirmed that's one. Exceeding your maximum level of indebtedness, adding projects that were not within a project category. Tokos said we have the freedom and will have an opportunity as we continue to work on this to define those boundaries as the committee feels is appropriate. Howard said there are two that are required by statute to be substantial amendments; that's if you add over 1% of the existing acreage of an Urban Renewal Area, and the second is if you increase your maximum indebtedness. Minor amendments are everything else. She said sometimes Urban Renewal Plans have a middle layer in there, and it's usually done if your City Council is not your Urban Renewal Agency. Those are called Council-approved amendments. On a lot of plans that she works on, those are if you do a project that's over \$500 thousand that you want another layer of review. So, if you felt like you wanted that with a citizen layer of review, you could say that that might be something that would go to one of the other committees. Howard works with over forty agencies across the state, and she can tell us pros and cons from their feedback. She said very few of them have an ongoing advisory committee unless they're a big agency doing a lot of projects because there's just not enough meat to keep a group together; especially at the beginning of an Urban Renewal Plan. There's nothing to discuss because you don't have money coming in for a few years. Once you get going and start doing projects, then maybe it makes more sense to set that up. You might decide now to start with the Planning Commission for anything major, for the refinement plans; and then later, if you start doing a bunch of projects, you may want to come in and change that. She thought what Tokos was referring to just then was having the Planning Commission be responsible but maybe have an ad hoc committee come in at certain points.

Tokos said at least some feedback we've received from the Council is that since they shifted to become the Urban Renewal Agency, which wasn't always the case in Newport because previously we had an independent Urban Renewal Agency, they've felt that for some of the work it would be nice to have an independent, appointed body to vet it and provide a recommendation to the Agency so they're not dealing with it at the initial point and also having to make a decision without the benefit of that feedback or guidance. Tokos thinks it certainly can be accomplished; and he thinks the ad hoc approach is kind of the middle-ground approach. He said that an Urban Renewal Plan is a living document. We would expect that as these refinement plans are done, those project categories start to get refined and we start to identify specific projects. Those would be minor amendments typically. However, we have the flexibility to define them however we want to as part of the Urban Renewal Plan. The Planning

Commission certainly has a statutory role. He thinks it would be wise to keep them engaged through this so that they're not only dealing with it on substantial amendments, but they have the benefit of any minor amendments as well so that they're informed when you get down the road and are actually looking at a major amendment and how that came to be. He thinks with the ad hoc committee, getting additional players such as the taxing entities involved that are impacted on a major amendment would be a smart thing to do, too. Croteau pointed out that the Planning Commission already does work with citizen advisors as part of their ongoing operations; and all Planning Commission meetings are open to the public. Based on the agenda, you could see the night the Commission is dealing with a major or minor amendment. So, open to all. Howard said that way anybody who was interested could come and give input.

Geltner wasn't clear why this was on the agenda today; and Howard said they wanted the group's input. You can give a recommendation; that's what they're hoping to get out of the group. She said Tokos has given her some great input, but the group knows the community. Mann asked if there will be a list in the plan identifying categories of major and minor amendments. Tokos said the Plan will define what a major amendment is and what a minor amendment is. Mann said it makes sense to have the work between the Planning Commission and an ad hoc committee. Tokos said it strikes him as a good middle ground. As a group we can work out what should land in the basket for a major amendment and what should land in minor amendment. By doing that and getting a recommendation from the Advisory Committee, the Council will have the benefit of all of the taxing entities that are affected having a chance to weigh in and saying you're comfortable that "below this threshold we don't need to be involved necessarily until it goes to the Agency." "Above this threshold, we want to be brought to the table for a conversation." Nebel thought the other thing with that option, too, is that the Council three or four years down the road could then decide whether the ad hoc committee should be turned into a standing advisory committee. Tokos said depending on the frequency of the work and the nature of what's going on. Howard said if you started getting enough money in to be getting into doing major projects, and you want major input; then that would make sense. She thinks that at the inception, the combination of the Planning Commission and then we'll talk through at what level maybe you'd like to have an ad hoc committee. She said the other thing is in your annual budgeting process, which is open to the public also, the public can give input during that time, too.

Geltner said since he represents a group of merchants, and he's explained to a lot of people that all he can do is report what's happening at the meetings. He said he can't imagine a scenario where we would have to go poll all those who are being taxed along that particular section of Highway 101. He asked if Howard could think of an example where this has happened. Howard said they aren't being taxed any differently than anybody else. Geltner asked if in this public involvement piece if Howard had any examples where a specific section of a community said "wait a second." Howard said she hasn't had it where they've said "wait a second." She's had it where the city's wanting to do a storefront loan program, and they want input from the business owners on what might or might not work. So they would say at the Chamber meeting that the city is going to sit down and work through this. We'd like whoever's interested to come in and give input. She could envision that happening; where they're saying to the business owners, "would this work for you, or would that work for you." She worked with Tualatin on a project that involved a transportation that was going to take out a section of a park. The neighborhood totally got involved, and they stopped that project. That can happen. They had to go through meetings because it was a project with costs that were high enough that it had to go through another level of approval, and the neighborhood came out very vocally against that project; so they pulled it out of the Urban Renewal Plan. Geltner said that was more reactive. Howard said it was able to come forward because it came through a public meeting; there was a forum for them to come forward.

Belmont liked the idea of the ad hoc also from the standpoint that as you're doing the different elements of the Plan, you can change the membership of the ad hoc committee. Howard agreed you can. Belmont said, so as Geltner was indicating, when you're doing something with storefronts, you maybe get more representation from storefronts during that process and people in the public that might be impacted. The same thing when you're talking about the transportation improvements. He said, as Chandler had talked about the street improvements out on the north end and where that falls under LIDs or some other funding source, it's a great opportunity at that point to bring those people in and get them involved in that process as you're working through the details, too. Howard thought like in that area that would happen through the refinement plan probably. Tokos said that would be a major piece of it up there. Those two refinement plans, the Agate Beach and the Downtown revitalization, would be full-out public engagement; open houses, workshops, direct mailings. It's going to be a full-out engagement process to identify exactly what the appropriate solutions are in the respective areas and what the relative priority of investment should be. Huster said with a fixed committee, that option 2, he would imagine if that went on for a number of years, people are going to come and go and things are going to change. It would essentially be kind of ad hoc anyway.

Howard said it sounds like everybody is comfortable with the Planning Commission having the major role and an ad hoc committee for certain types of amendments. She said when we get to the amendment section, we'll try to define what we think those would be. Chandler was concerned that the Planning Commission was appointed to do planning stuff. They weren't really appointed to come from a diverse group of representation of businesses, neighborhoods, taxing entities, and that sort of thing. Tokos noted that by our own rules, we cannot have more than two individuals in the same line of work serve on the Planning Commission at one time. By statute they already have a role in Urban Renewal; they have to sign off on any major amendment. It's not a matter of whether or not they're engaged; the extent to which they should be engaged is more the conversation. He said it's prudent. They are planning, but a lot of their planning work is long-range planning and facility planning. They are

working on the sewer master plan update, or the storm water master plan update, or the transportation system plan; and those refinement plans would have to go through them. They will have a pretty good handle on a lot of these outreach efforts because they're necessarily involved. Howard said typically, as Croteau was saying, the Planning Commission does a great job with notices of their meetings and allowing public input. It allows for a greater amount of public input than just a regular committee does. Their notices are always published, and people know to check for them.

Geltner said he noticed there was no announcement of this meeting today, and especially tonight's meeting, in the local paper. Tokos said we provided direct mail notice to all the affected property owners and businesses. We did get a press release out. Geltner wondered if in the future when projects come on line is there a similar direct mail process that's employed. Tokos said we can in the Plan identify the nature in which we would do notification. He said we certainly can do that as part of the Plan. Geltner said Chandler's concern would concern him too. The way that word gets out anymore is so varied; and the thought that someone wouldn't know something is happening is still a possibility.

Chandler said that she was surprised to see that there wasn't a list of the proposed projects included with that public notice that was sent out for tonight's meeting. She's hoping that the next public meeting would have a list of those projects. That's what people really want to know; what is this going to pay for, what is this going to be used for. It wasn't in the information for tonight; so she thinks that really is going to have an effect on the amount of people that will attend tonight. Howard said because we haven't finished dealing with the projects yet, the meeting tonight will talk about projects, but will talk more about what we talked about at our very first meeting; what is Urban Renewal and how does it work. We'll talk a little bit about the major goals and objectives. We'll have the project list and that further input that we've talked about. We didn't send the project list out. The main focus tonight is to provide information. She said hopefully when people get a notice, they will decide to come. She said she's never sent a project list out. It's not a usual thing that she would do for public notice.

Going on with her presentation, Howard noted that Goal 2 for the North Side Urban Renewal Area is Economy, which was taken directly from the Economic Opportunity Analysis. She noted that it's verbatim and read the goal; "create conditions that are attractive to the growth of existing business and attract new businesses to Newport to create new jobs. Provide an adequate number of sites of suitable sizes, types, and locations to accommodate a variety of economic opportunities." She noted that this has been thoroughly vetted through our process. The City Council has adopted the Economic Opportunity Analysis. It's something that they've already said is their main goal; and when looking at this area and what we've talked about doing in the projects, it ties well. Geltner asked if the word business, the first one, was meant to be plural. Howard said she didn't know for sure. She tried to copy it exactly from the document; but she can check into that. She asked Geltner if he would rather it be plural. Geltner said some people are picky, and he just wanted to be sure that whatever we are saying is what we mean. Howard said she will check the base document and whatever is in the base document that's already been adopted if it's okay with everybody, we'll use that. If she made a typo there, she'll correct it and let everyone know at the next meeting. Looking at the next slide, Howard said they did this again by the areas that we talked about in our first meeting; and these are some of the objectives or things that we would like to accomplish under economy in these specific areas. On US 101/US 20 Streetscape, when we brought that slide up in the initial meeting we talked about these as the objectives in those areas. The first is to assist in the financing and provision of transportation improvements for improving traffic flow and traffic patterns, reconfiguring intersections, installing or upgrading traffic signals, improving pedestrian and bicycle connections, right-of-way acquisition, and parking improvements. Next was to improve the overall aesthetics including but not limited to billboard removal, landscaping, utility undergrounding, and wayfinding. Howard said she would stop at each one of these and see if anyone wants to do some wordsmithing or changing. Geltner said because it says US 101 and US 20 that to him is very specifically the corridor; does that involve anything east or west of that corridor. He had a customer come in on Saturday who lives over by the Chevron Station and Kum Yon talking about gravel roads. To him the provision of transportation improvements would be that aspect. Howard didn't think that we address that specifically elsewhere.

Mann asked if there aren't certain street projects and others that will be accomplished by the City. Tokos said we have an existing overlay program that is funded through state gas tax and city gas tax. We've been through that strategically trying to knock out high-volume gravel streets. That program would continue post-adoption of Urban Renewal and independent of Urban Renewal. Mann asked if there's a schedule or ongoing check-off list to say we're working on certain areas this year and next year we're working on another area to eliminate gravel roads. Tokos said that's something the Public Works Department has been targeting. He doesn't know if there's been a whole lot of outreach with respect to the target streets for the upcoming year. Nebel said there has not been a lot of public outreach. Tokos knows that Gross has a general sense of what he would like to tackle, but he doesn't know that there's been a lot of outreach on that.

McAfee noted that Goal 4 is Infrastructure and talks about streets, but it doesn't specifically say Highway 101 or 20. It's kind of addressed under documents; it's just not under that section. Tokos said that's one reason they added the infrastructure as a separate goal so that we had that sort of capability.

Huster asked how billboard removal works. Are they licensed? Tokos said it would be engaging whoever owns the billboard and coming up with an arrangement to acquire it and remove it. It's going to vary depending on the billboard location. You

could think of that in a number of ways. The most likely way would probably be in concert with some other project. Maybe it's a site acquisition and reconfiguration and you have to get rid of a billboard as part of that overall concept you're working with private property owners on. Or it's in a location where you're trying to do some streetscape improvements, and that one piece would really help enhance the overall project. The amount of funds that we would likely reserve for billboard removal is not going to remove all billboards in Newport. It would be a handful of strategic locations that come up. He added that maybe that opportunity doesn't present itself, and those funds through a later amendment process get repurposed for something else. Geltner wondered if including that puts up a red flag; that's telling him that we are going after billboards. Howard asked if that's a bad thing. Chandler said she's not sure that's the highest and best use of Urban Renewal funds. She doesn't think the billboards are particularly egregious. They certainly do support economic activity; whether it's drawing people to concerts at Chinook Winds or sending people to Mariner Square on the Bay Front or to the Aquarium. She said they are what they are. She said these dollars are awfully limited, and she is not particularly crazy about seeing them used for taking over billboards. Huster said this isn't to say the plan is to get rid of all billboards. Howard said it's not. Huster said it's if under certain circumstances it makes sense. Howard said that's right. She said if you were doing a development on a key site and there happened to be a billboard there and something had to happen to that billboard, you could use Urban Renewal funds to go ahead and take that billboard down, pay the owner for the billboard, and create whatever you're going to create on that site. Mann wondered if that would include the relocation of the billboard. Howard would guess that depends on the negotiation. Tokos said that flexibility exists. It's not defined in great detail, you wouldn't be restricted. Chandler asked if we don't now have in place basically a ban on all future billboards. Tokos said the City has in the past though, and when it got close to the time where they were all going to need to come down, political pressure was applied and there was a discussion, and they opened the door again. So whether the City has a ban or not doesn't necessarily preclude billboards from continuing to stay in the City. At some point in time the billboards that we have which were largely reconstructed will reach a point where we are going to get approached by billboard operators again saying that they want to replace them; there's currently a ban, and they'll talk to the City Council and Planning Commission about whether we can lift the ban. That's happened in the past. So he just wouldn't put too much in a ban because bans can be lifted. Chandler asked, but there is one in place now; and Tokos confirmed that.

Geltner said that the word "overall" is a strong word. Posner said maybe we should add "and or relocation." Howard asked, "billboard removal and/or relocation?" Posner said maybe that's an option for the owner. We need this spot to do something, but we can move it here. Geltner said the public reading this might see the word "overall" meaning we have this big grand plan and we are out for them; but the way you just phrased it, you're implying the word "possible," and that word isn't in that sentence. Croteau asked, what if you just changed it to "for example." He said to put billboard removal at the end and say "Improve overall aesthetics; for example: landscaping, utility undergrounding, wayfinding, and billboard (and some wording there). Bauman suggested "billboard siting." Tokos asked if "removal and relocation" is what we had out there. Geltner said billboard siting could imply removal. It just depends on how strong you want to be or not be. Howard said the "for example" makes it clear that these are potentials and not prescribed. She thinks that works. She thinks that putting "billboard" at the end is also a smart thing to do. We can either put "billboard siting" or "billboard removal and/or relocation." Chandler thought once they come down, they'll stay down. She's not a big fan of billboards. Hopefully the City's ban stays in place. She just doesn't see removing the existing ones, unless like Howard said it could enhance a project. She doesn't want to open the door to have them relocate them. Davis also thought that relocation opens the door; it's implying that you'll pay the bill regardless of the cost to relocate them if you're going to inconvenience the billboard owners. Brown asked if "billboard" is defined in the City. Tokos said not as clearly as it could be. They all exceed the City's sign limits; they exceed the maximum permissible area. They fall into that category. Howard thought if we put "for example:" and then list them and put "billboard" at the end. Everyone seemed okay with that.

Howard explained that there are different goals. There's one for public involvement, one for economy, one for housing, and one for infrastructure. So as far as Geltner's question about streets, under the infrastructure goal we do talk about streets there too. So it doesn't preclude it from being included to do other streets within the area. The next slide, the third point under streetscape, would include the storefront loans. It would be working with property owners to try to consolidate parcels, or do strategic site acquisition for economic development; basically the main way you can make things happen with your businesses in an Urban Renewal Area. Belmont said on this particular goal there are sort of specific areas, but they're not defined. There's a lot of overlap, which he thinks is probably good because you may want to pull money for different things. Tokos said that's the thought. Belmont said the only one he was a little concerned with was downtown revitalization, the next one there, in terms of is that an actually-defined area. Howard thought that question had been raised at the last meeting; what is the downtown? Tokos said we can map it. Belmont said that he's not saying that's necessarily something you want to do. You may want the flexibility. You've identified these core objectives for the economy. The overlap may be good; it provides more flexibility. Howard thought there's overlap and thought they were just interested in making sure people understood that there are key areas where you want to do the work, and we identified those in the beginning. She said this is her hardest part of doing Urban Renewal; doing the goals and objectives and trying to make sure that they work with your project areas. This is the only way they could figure out how to make sure the intent of making sure those areas that are identified work with goals and objectives. Tokos said maybe a way to think about it is that we're slowly starting to get more specific. For purposes of Urban Renewal, downtown cannot be an investment beyond the blue. So there's an initial mapped boundary. Then when we do that revitalization plan, it will be further defined as part of that as to what we're talking about; and through that process we would further define it. It would be whittling it down as we put more work into it. Chandler wondered if we could include options for loan and grant programs in this

paragraph. Howard said we can say, “including loan and grant business assistance programs including façade improvements, strategic site acquisition.” Those are done through loan programs. So we could add language that say through implementation of loan and grant programs. Chandler said she would love to see that. Howard thought that’s a great idea. That’s the intent.

Howard went on to the second objective under Economy, which is Downtown Revitalization and read through those points. These include completing a Refinement Plan for the Downtown commercial core, which Howard noted would include dealing with the transportation issues. Secondly, assist in the financing and provision of transportation improvements to ease congestion, spread out traffic, enhance pedestrian experience, and facilitate redevelopment. And third, help create and enhance a district identity through the provision of amenities; and it lists those. Item “d” was to assist in billboard removal. And the final one, was shown on the next slide. It was suggested to make “d” part of “c”. Geltner wondered if everyone was clear what the word “downtown” means for Newport. Nebel said we had that discussion the other day as well; whether it should be downtown or city center. He thought collectively that’s a good decision for this group to determine how you want to refer to it. Geltner said he’s less concerned about City Center than he was about Pro Build and all the people up there. He gets questions from tourists about where’s your downtown. Howard said that question’s came up a couple of times. She doesn’t know if you want to define it to just that one little strip or south of the intersection. Tokos thought what we could do is under “2a” add language so it reads, “Complete a Refinement Plan for the Downtown commercial core including identifying the boundary for the Downtown.” Geltner said to just remove the word “downtown” because commercial core to him is 101. Tokos thought we have spent some time, even when we were doing the initial engagement with the taxing entities after the feasibility study, that this is a particular area that we are going to target resources. Tokos went up to the large map to illustrate the area. Busby asked what it accomplishes. Geltner said to the public. Busby said if you say downtown is 101 and Hurbert Street, are you in effect taking away from Nye Beach and the Bay Front by making that definition. So, maybe it’s something you don’t want to do; maybe it’s to our advantage not to. Croteau asked what about “a Refinement Plan for the commercial cores” and remove downtown. Just go with commercial cores. Everybody knows that’s some part of 101 and some part of 20. Then that gives you a little room to later refine that; which cores and what that means. Davis said it gives you flexibility if you remove the “downtown” and just say “commercial core.” Commercial core could be identified as different things unless you need it for definition. Howard thought the intent of the Refinement Plan is to look at this central area. Tokos said it’s not specific. He doesn’t think we want to define it. The Urban Renewal boundary itself provides enough definition at this level; and as we discussed, when we move into our Refinement Plan, we have a chance to do that further. If we want to call it City Center, Commercial Core, or Downtown, he doesn’t have any issues with whatever the group wants to call it. Howard said maybe change item “a” to “Complete a Refinement Plan for the commercial core including identifying a boundary.” Chandler said, what about the plural option though; “commercial cores.” Several members liked that. Tokos said commercial core or core areas, or something to that effect. Howard thought she’d use “commercial core areas” if that was okay. So “2a” will read, “Complete a Refinement Plan for the commercial core areas including identifying a boundary.” Everybody was good with that. For clarification, Belmont said he’s assuming the Refinement Plan will not include Highway 20 even though that is another commercial core. Tokos said it may very well include parts of 20. Howard asked if we change the title to “commercial core areas.” Tokos said if that works for the group, then that’s where we go. Howard said she will move the billboard removal up with the other. Chandler wondered if under “c” it would be possible to add “public space, including but not limited to benches, public art, and street landscape.” She said the reason for that is downtown consultants are really talking up how much having space for events brings people to downtowns and will make them more viable. She would love to see that happen. Howard thought that was a great idea. She works with a lot of communities that like to include that. She thought that was a very good point and will put that in there right after “public art.” Geltner said the word “amenities” is pretty broad. So you could think of a lot of other words.

Howard said that item “e” is the one that is very similar to what we had on 101, which is work with the property owners. She thought she would add the language to this to say through “loan and grant programs” just like on the other one. Geltner just wanted to point out that the picture on the slide is of City Center Newport as well. He wondered if Howard meant for this “e” to speak to that, or do you want it to be general. Chandler asked or will that photo be included. Howard said it wouldn’t; she was just trying to break up the words on the page by putting in pictures. Tokos said as we go through presentations, he thinks it’s important to share photographs. It’s a balancing act as we go through here. We want to have enough of an explanation of what the project categories are so people have context and can connect it to the goals and objectives, but not so much definition that they can’t be refined in the future. We know they’re going to need to be refined in the future as we do more outreach. Howard said from her perspective, it’s really important for a city to have a strong business area that is defined as not the whole strip. Nobody’s going to get out and walk from the bridge up to Agate Beach. But, if you have a healthy downtown, people will stop and get out and walk the strip of your downtown. They might have just been going to buy chocolate candy, but they find a book next door, and then they find something else. To her it is important to revitalize your downtown. It is important to make sure that area of your town works and potentially you get some housing up above that helps support that. She said that’s what makes a healthy downtown. Nebel thought there is a danger in deleting too much because that is one of the priorities we’ve talked about and one of the experiences people have driving 101 through this community. There’s room for it to tell a better story than it tells about Newport right now. Howard said if you’re going to enhance pedestrian, tourist activity, you do it by having an area where people can walk from one store to another. She said our downtown has that building infrastructure to be able to do that. It doesn’t necessarily have the businesses in it to make that happen; and hopefully that’s why you can do some revitalization there. But we do have a group of buildings, some nice buildings, that could be renovated and hopefully bring some businesses in and

create a core. Geltner said to him it's all aspiration. So, our earlier discussion about the word and if we really want that word to mean something in particular, then we need to say that. He's saying that to the general public it might not be clear what that word means. Howard said maybe if we take "downtown" out of this, one of the objectives would be to "assist in creating a healthy downtown commercial area." Geltner said we do have the Uptown Pub. That's the only business that uses a word like downtown. He doesn't know enough of the history and wondered if that had a significance at one time. Brown said it was called up town and talked about what used to be there. Bauman said maybe right now doesn't matter so much, but as time goes on there might be an advantage in calling it "The Historical Downtown" because of the ability to tie into State programs about main street and historic preservation. It would be to an advantage to call it a historic downtown; but it doesn't have to be done now, but as time goes on. From the audience, Ellen Bristow mentioned that her parents lived here right as World War II was ending, and there really wasn't a whole bunch on 101. It was Nye Beach that was the tourist section, and there was the working Bay Front. The space in between was called uptown and was a big sand dune. That's why it was called uptown. You went up to get down. She still thinks of it as uptown. You don't have a downtown; it's up. Howard said maybe we'll just leave this as "commercial core areas," and we may come back and make another change to this.

Moving on, Howard noted that the third objective under Economy is Hospital Redevelopment. She said this is another one of the core areas. She read the points under that, which were to assist in the financing and provision of transportation improvements including access and parking; assist in financing and provision of utility infrastructure; and provide improvements to help establish a gateway to the city along the US 20 area. Geltner pointed out that transportation had an "s" on it, which Howard will correct. Busby wondered why we're pointing out hospital redevelopment over other things. He said it sounds like you're giving the hospital some kind of preference. Howard asked if we wanted to say "hospital transportation." Geltner wondered what about saying just "hospital area." Howard said we did commercial core areas above, so hospital area should work. She was fine with that.

The next slide was the objective of the Tourism/Fairgrounds Redevelopment. Howard said maybe we should say Tourism/Fairgrounds Area since that's what we're doing in the others. Howard read through the points here; develop tourism-related amenities and facilities including fairgrounds redevelopment; identify and make infrastructure investments on opportunity sites; assist in the improvement of the transportation system to support existing development and allow for future development; facilitate redevelopment through assistance in parcel reconfiguration and potential public/private partnerships; and improve the visual appearance of the Highway 20 corridor through redevelopment, transportation improvements, and streetscape improvements. Howard noted that this is mostly a County issue, and Belmont said they were fine with it. There weren't any other comments on this objective.

Goal 3 is Housing. Howard said this was mostly for the Agate Beach area; but not entirely, so that's why they didn't say just Agate Beach. She read the goal: "Support existing and potential new residential neighborhoods through upgrading utility and transportation infrastructure. Support housing development in the downtown." Howard thought that should be down under objectives, but said we'd go through it and see what the group thought. Reading through the objectives, they are: to complete a Refinement Plan for the Agate Beach area; assist in the provision of infrastructure to support existing development and to allow for future housing development; assist in the improvement of the transportation system to support existing development and allow for future housing development, and that was thinking of those large parcels; and explore public and private partnerships to encourage housing development in the downtown. Howard said we're back to the word "downtown" again. McAfee thought probably take downtown out of the Goal and change it to be commercial core areas and scratch it on number 4. Howard agreed to be consistent we'll use "commercial core areas." Nebel said that with Agate Beach the Refinement Plan is going to be more than housing. Tokos said we should pick it up in infrastructure as well.

Bauman said that she didn't see the term multi-use or mixed-use anywhere under housing. She hates to segregate the idea of housing from the idea of commercial. In historical downtowns a lot of times mixed-use is encouraged. If there's a way of emphasizing how vital and important rental units in particular are to economic development. They're looking upon it as one of the major barriers to business expansion. So we talk about business expansion elsewhere all over the Plan; and maybe in housing the rental element is the barrier, so to them it's something that's so vital they just want to make sure to encourage it in every way. Maybe even making a point to point out that we need rental units. Howard said maybe the language, "encourage different housing types including single-family and multi-use." Bauman said multi-family and mixed-use are things they feel would be nice to have pointed out in there. Tokos said we have in our Housing Element in the Comprehensive Plan a very good goal that speaks to housing types but doesn't get to what the specific types are. It emphasizes that they are affordable to the range of folks who live and work within the community. So you have that whole spectrum of affordability. Howard said she will find that Comp Plan goal and put it in as another one of the goals at the top so it would relate to both areas. Geltner wondered with our current city code if we have to put an objective that says review because he didn't know if a mix was permissible. Tokos said it is; you can do residential over retail in a commercial area.

Going on to Goal 4, Infrastructure, Howard noted that these again were taken out of some of our existing plan documents. She read the goal: "To assure adequate planning for public facilities to meet the changing needs of the City's urbanizable area. To provide a storm water drainage system, water system, wastewater collection and treatment system with sufficient capacity to

meet the present and future needs of the Newport urbanizable area. To provide a safe and efficient multi-modal transportation system consistent with the Transportation System Plan.” She said it basically allows you to do utility and street projects; and then under the objectives, identifies the different projects that we are talking about. The objectives are: “Build utility infrastructure to accommodate growth. She said we talked about moving the Refinement Plan for the Agate Beach area down here because it is a transportation project. Probably we should move the other Refinement Plan in here too. Identify and make infrastructure investments on opportunity sites to help make them develop. Coordinate with ODOT on transportation improvements. Assist in the improvement of the transportation system to support existing development and allow for future development. It’s talking about the different transportation improvements we talked about when we were in the different areas, so for US 101 and US 20, and the downtown commercial core, which we’ll change to the “commercial core areas.” Geltner asked if the word “transportation system” imply buses and things like that; and are we really meaning to propose that? Tokos said it’s the entire transportation system, so it would include transit in addition to the actual street improvements. Howard said a Transportation System Plan also includes bicycle and pedestrian. Geltner said on number four when you say transportation system to him that means something else; it sounds like light rail. Croteau suggested taking away the word “system.” Howard said, “improvement of transportation.” “Area” was suggested. Howard mentioned “network.” Mann asked what about “transportation infrastructure.” Howard and Tokos thought that recommendation works.

Belmont wondered if the Plan should include high-speed internet; fiber optics. He said that some communities do; he thought maybe Sandy was one. Howard said she just did their update, and they included that; and she thinks Wilsonville did. Tokos thought that was a good thing to include. Howard said we’ll add that. On number six, we’ll change that to “commercial core areas.” We’ll add a seventh objective about assisting in development of high-speed fiber connectivity. Bauman thought if you use “telecommunications” it might cover whatever you need. Howard will add “telecommunications infrastructure.”

Howard noted that Goal 5, Fiscal Stewardship, is another area where they wanted input from the group. She said it’s an area where the City Council talked about potential under-levies. So it’s something that she and Tokos wanted to go over with the Committee how they thought we would handle this. She said it isn’t a typical goal in an Urban Renewal Plan; but the City Council was interested in making sure they did this. Howard read the goal: “Work with the taxing jurisdictions to both inform them of the annual activities of the Urban Renewal Area and to evaluate opportunities to share tax increment revenues.” She noted that every year an Urban Renewal Agency has to prepare an annual report for the Urban Renewal Area. That has to be published in the newspaper; but it’s not always sent out to the different taxing jurisdictions. This is taking that a step further saying when you do an annual report go ahead and send it to our taxing jurisdiction partners. There are specific things that are required in that annual report; one of them is the impact on taxing jurisdictions. When Howard works with agencies, she always tries to get them to include a synopsis of what they did in the past year and a bit about what they intend to do in the next year. If you’re just looking at a budget, nobody really knows anything about it. As long as you’re going to be doing an annual report, you might as well give people a little bit of narrative to go along with it; especially if you’re going to send it to your taxing jurisdiction partners, it helps then to understand what projects you’re going to be doing and what projects you’ve completed.

Objective number 2 is “notify taxing jurisdictions of revenue sharing responsibilities and timing of those responsibilities.” Howard said that within the statute right now, there are requirements for revenue sharing on any new Urban Renewal Plan; which is a new feature after 2009. Plans adopted prior to that don’t have to do it. Under this new feature, whenever you’re Urban Renewal Area gets revenue of 10% of your original maximum indebtedness, you have to share a portion of that with the taxing jurisdictions. When it gets to 12.5%, you have to share more of that with the taxing jurisdictions. Since this is a pretty new feature and hasn’t been used a lot, we talked about making sure the taxing jurisdictions understand there will be that revenue sharing, and when we do the financial analysis of the Plan that it notes when it’s projected that revenue sharing will be starting. When we make an original Urban Renewal Plan, we make projections; but those projections don’t always pan out because different things happen in the economy. As the Agency moves forward, and they can see that revenue sharing will happen earlier, this gives them the requirement that they let their taxing jurisdiction partners know that things look different. If they did a financial update of their plan, and that report says revenue sharing is going to be “x” instead of “x”, then they would go ahead and share that information.

Objective number 3 is to “identify a process for evaluating an under-levy request.” Howard noted that also in 2009, the Legislature allowed Urban Renewal Agencies to do something called under-levy, which means they don’t have to take the full amount of tax increment revenues that they could take in any year. She said there have only been a few agencies that have actually implemented that under-levy. The opportunity is there; but it’s difficult and cumbersome to initiate. There are some problems with it. If you have an outstanding bond, the bond covenants usually require that the Urban Renewal Agency take all taxing increments available to them so that the bond-holders know that the bond will remain in good stead. If you are going to allow for under-levies, you also need to make sure your covenants and your bonds allow you the flexibility to do an under-levy. Just by putting that in here, it makes the agency think about that when it goes out for bonds. Howard was working with the City of Lebanon, and Linn County required the city to do an under-levy because they were having a problem with their county budget. They were doing an amendment with the city of Lebanon; and it worked out that their projects weren’t going to happen for a year out, so they were able that next fiscal year to go ahead and do an under-levy. It means a lot of work. When you do an under-levy, you are required to contact every taxing jurisdiction and let them know you are doing an under-levy and go through

it with them. So, they talked about identifying a process for an under-levy so if any taxing jurisdiction came and asked you to do an under-levy, you already had a process identified so you know what you would have to do if you do an under-levy; and also identify what the cost of evaluating an under-levy might be. There are costs associated with doing the financial evaluation and the notification process. Another thing that happened in that case, the county was excited they were getting money back; but because the city did an under-levy, the school district was negatively impacted because it caused compression issues. Howard said you have to be careful with under-levies. One district may benefit, but some others may be negatively impacted. It's not just a really straightforward thing to say this year you're going to take less; it will have impacts on other agencies. It was brought up at the City Council meeting as one of those sidebars; where they wanted to allow the flexibility of it. But they really felt like if you're going to allow the flexibility for it, you want to have a process for it and identification that there are costs associated with it. Tokos added that when we do the financials, there should be projections for when revenue sharing should hit. So, when we get to financials at a future meeting you will see in a plan, if projections hold based on the guestimate of growth of the district, it will tell you more or less when revenue sharing is likely to trigger. Tokos said their objective is to put in the Plan itself a clear process for how an under-levy would work. He said in principle too what we are looking for is that the entity requesting the under-levy is the one responsible for covering the cost of the financial analysis associated with the under-levy. When it gets in front of the Urban Renewal Agency, they understand what the ramifications of the under-levy are; does that mean certain projects are foregone or delayed for a period of time. So, there's a public record if someone asks why a project didn't ever happen; we can say here's why, and there's a clear record of how the decisions were made as we go along. Busby asked if there's a risk that could affect our bond rating. Tokos thought it certainly could. We have the advantage that we can work that in now. We can structure it in to make sure when we go out and do our borrowing we have the ability to do an under-levy. But it could affect rates. Nebel said we certainly could have that review by bond council to make sure. Howard said generally there's a debt coverage ratio in any of your bond covenants; and they just throw that other language in because they can. She's done under-levies with four different agencies, and they've had to go back to the bond-holders and get that provision modified. They always have modified it. So, as long as they're still held harmless, and they have their debt coverage ratio in their bond, they're okay with it. She said nobody ever thinks about that when they start thinking about under-levy; they don't think about the ramifications that they might have committed themselves to. So, they are trying to make sure we get some of that up front here so if Tokos or Nebel aren't here, somebody understands what they need to look at and evaluate.

Belmont said that he appreciated we have this capability. In fact, they have used it in Lincoln County; Lincoln City under-levied. He said it was a very detailed process. Lincoln City went through it very well. He said obviously there were some advantages. Lincoln City initiated it because they were the agency most hit by the tax increment financing. There were distinct advantages for their own operating budget to do so. Howard said she worked on that one too. One of the reasons they did that was that they increased their maximum indebtedness, and they needed taxing jurisdiction approval. To be able to do that, they offered up that they would do the under-levy to help make it not so onerous to the other jurisdictions. Bauman expressed that being a member of a countywide jurisdiction and having county funds in her budget, she really appreciates having that fiscal stewardship section. She pointed out that there's actually the potential for a two-way street because we are talking about the county might be getting funding from the EPA for fairgrounds cleanup. That might even help with things on the list, like brownfields evaluation and assessments on grounds that may or may not be in the Area. She said it's actually a two-way street potentially.

Geltner said Howard used the word onerous and wondered if the scope of what this goal is asking change if you put the word "financial" between annual and activities. To say you are going to inform them of annual activities, to him is a much bigger task than if you're just informing them of the annual financial activities. Howard said if you inform them of annual activities, you are doing exactly what is required by statute by publishing the annual report. But you are giving them some narrative to say these are the projects we completed, and these are the projects we are going to be doing next year. To her, it's an important thing to do. Mann asked what about saying "annual project and financial activities." Howard said it doesn't have to be in depth, but a couple of paragraphs. "Last year we completed the Agate Beach Refinement Plan. A copy of it is available at City Hall." It doesn't have to be a lot, but at least it gives them an idea of how you're spending the money. In both the goal and objectives, we'll put "annual project and financial activities."

From the audience, Rachael Cotton, had a comment for the committee to consider. Under Goal 3, Housing, objective number 4, explore public and private partnership to encourage housing development in downtown, she thought that's very passive language. She thought it should be more committed. She knows Newport has done recent housing studies and knows what would be effective as tools for incentivizing for workforce housing. She assumes that other cities Howard has worked with have committed funding for housing. Howard said that housing is interesting. It's just beginning to become an issue outside of Portland. In Portland, they commit 30% of their tax increment revenues to affordable housing; it's a requirement of their Urban Renewal Plans. Other communities are beginning to see that their workers can't afford to live in their communities because there isn't affordable workforce housing. She's starting to get contacted about how they can create workforce housing in their communities and if they can use Urban Renewal to help. It's just new. It's just starting for cities to implement that. Cotton noted that what private partners want to see is incentives; and how do you provide those incentives? Howard said on the others we say "assist in." Busby thought that needs to go by the Council. Croteau suggested "promote." Howard said "promote" is a little stronger than "explore." Busby said we have other things in progress on housing, and he thinks before it ends up in the Urban Renewal Plan, it should be ran by the Council first. He asked if in Oregon it's legal to use Urban Renewal funds to assist in development

of workforce housing. Howard said absolutely. It's development just like any other development. So, if it's in your goals and objectives, and it is here, you can use it to buy the property, sell the property at a lower price, you can use it to help with redevelopment. The couple of places she's seen it done, they've combined it with state housing programs. Albany did a project in their Urban Renewal Area where they took a mobile home park that was an eye-sore and a problem for law enforcement and built houses there with state funds. Their Urban Renewal funds bought the land. It can be done. She asked the committee if we want to change that word "explore," or when we take it to City Council, talk about that issue. Geltner asked if the City Council didn't get a crack at it; and Howard and Tokos confirmed that they do. Geltner liked the logic of putting "promote" and then let the City Council change it if they want. Busby objected to that. Chandler asked, what about "support." Tokos said we're pretty primary, and that's another reason to say "explore." We have an opportunity to hone this stuff down in the Revitalization Plan. One of the challenges we have is the district is very US 101/US 20 centric. There are probably going to be limitations of what can be done on the housing front along that corridor. Keeping it as "explore" keeps it fairly broad. We have an opportunity when we tackle the Revitalization Plan to get a little more specific at that point. Howard said we send a report to City Council, the agency transmitting the plan; and we can say this issue was discussed by the committee, and some of the members felt stronger language might be beneficial there and that the City Council should consider that as they're considering the whole Plan. She said it brings the issue up to them, but keeps it at this level. Busby said the broader we make this, the less focused we become and narrow our chances of success. Tokos thought it was important to note that there are a lot of ways to tackle affordable workforce housing. One of the things we did do with that map is add two large chunks of undeveloped land in Agate Beach that through infrastructure improvements could significantly increase our number of units that are available for people. We have a very limited supply. That's part of the problem as well. There's a number of different strategies that could be pursued. That certainly will help a well. Cotton asked if it's single-family zoning in Agate Beach. Tokos said we have R-4 and R-2, so we have high density and low density. Nebel said the beauty of the word "explore" is it leaves it open to a lot of different scenarios as things are refined in the future. Howard said the good thing is it's in the Plan. Tokos thought the Revitalization Plan will have to take a hard look at the viability of housing along the highway corridors and just exactly how that could work or if it's even feasible or not.

Before leaving Goal 5, on number 4, Mann asked what exactly is anticipated as administrative cost. Is that a large or small number? Tokos said once we do the financials, we'll have a better sense of how we would want to work it; do we want to set this up as some fixed amount that comes up each year with increment, or do we want to set it up as a percentage that then gets holed away because incremental will start to climb over time. We probably don't need the support early on because we're not doing as much; but later we probably will, and it would be nice to have the funds to kick into that position. We've been talking about one FTE support once it's fully up and going. If you're doing that with benefits and everything, you'd be looking at about \$100 thousand a year. Mann asked if this would be a new hire or somebody on staff. Tokos said that's to be determined. This is about just getting the resources available and the recognition too that it does require some additional resources when it's fully ramped up to get the projects done in a manner that the public feels is acceptable within the timeframe we have to get it done. It's a substantial ramp up, and it taps a lot of different resources in the City. Howard said if you're going to be doing all of those projects, somebody's going to be managing them. She said it's a very typical thing in Urban Renewal Plans to help pay. She said there have been some agencies that have allocated way too much money to that. So, you want to be careful how much is allocated. But somebody has to administer the programs. It does take personnel. Tokos said one of the issues that Newport's ran into, especially with its initial Urban Renewal Plan, is that it languished for a number of years because it lacked that kind of attention to push it on through, and that tax increment for the taxing entities was held up a lot longer period of time than maybe it had to have been hung up for. Not to mention the difficulty in some of the recordkeeping and difficulty in figuring out how decisions were made. You need to actively administer so that you can get it all done in a timely manner.

Looking at the slide on projects, Howard noted that we talked about projects quite a bit last time. She used that project list last time to try to make sure our goals and objectives covered all of our projects. She said we just want to touch base back to that. Since the slide was so small and difficult to read, Tokos went up to the large board. He noted that they will make changes since downtown is there in a couple of spots. He said what he tried to do is get rid of the Agate Beach category per se. There really was no need to have it broken out as a separate category. We had local street right-of-way improvements in a couple of areas, so they just kind of blended them together; which increased resources available. That gets at Chandler's point that Agate Beach may need more than was listed. At the end of the day if you wanted to do a minor amendment, this number could go up and others could go down. What they tried to do was generalize it and not call out Agate Beach unless they absolutely knew something would be targeted for the area, such as this Neighborhood Plan just like the one in the commercial core area. There are some other examples such as some water line improvements that feed the Agate Beach area. He said that they did keep the public safety building out, and that's a \$5 million line item. He said part of this is we expect with the financials we're going to need to keep the number well below \$42 million in terms of maximum indebtedness because we've shrunk the overall assessed value that's in this district down considerably through our discussion about changes pulling out Walmart, Fred Meyer, and Safeway. It's a balancing act. We don't want the plan to extend over too long a period of time, and you're playing with your maximum level of indebtedness and the likely tax increment. So, as we discussed, it's just the type of improvement or project that doesn't fit quite as well as some of these others; in terms of the goals and objectives, it takes a little bit more explanation. They also broke them out as separate plans; McLean Point is identified as a separate plan than the Northside Urban Renewal Area. The overall number at this point is the same as what we talked about last time; just under \$40 million.

Geltner said he had a meeting recently, the Ernest Block Legacy Project, where people were interested in knowing if there were potential partnerships out there. They were wondering whether that could be within the boundary. He just wanted to put that out there. He thought someone would ask that tonight at the open house; and he just wanted to let them know ahead of time. Nebel asked how far off the blue boundary we are for that memorial. Geltner said it's right adjacent to the 49th Street jog. He said the southwest-facing corner of where it was being pointed out. He said it's just about one or two acres that incorporate the entrance to Gilbert Way and Woody Way. Howard said that Geltner had asked her earlier if it was a legal use of the funds to use for renovation of something like that. It legally is something that's allowed by statute to assist in historic renovation. It's just politically whether it's something that you would want to add into the plan or not; but it is an acceptable use of Urban Renewal funds. Tokos said it wouldn't fit under one of the project categories right now unless we framed it as economic-development-related. Howard said, if it's tourism. Tokos said that's how you'd frame it. If these stay as they are now with no changes, and that opportunity presented itself, that's how you would frame it with an amendment down the road for that specific project saying it fits under this category for these reasons.

Chandler said she would really like to see a way to get a public safety police building added back to the list. She thinks it could have a useful effect on downtown in the transient population. It's awkward for the police officers to get their vehicles through 101 in a timely fashion. To have them be on 101 in the downtown would be tremendous. Posner supported it. Howard wasn't sure how to do that unless we add that in in our report to the City Council from this committee as a request from some members that the public safety item be added back. Chandler said she's not saying including the fire department. She's not heard anybody say that building's not adequate, and she doesn't think there are funds for that; but there may be enough to scrape out funds for a police station. Howard said it wouldn't have to be a full facility; someone talked about neighborhood policing last time, an auxiliary. She asked Tokos if safety is something that would be addressed in the Refinement Plan typically, or is that just infrastructure. Tokos said it's probably going to lean more on the infrastructure side. If you're talking about a Revitalization Plan that opens the door to a wide range of things. If you're talking about coming up with some place where you can locate a satellite area for police; that's certainly part of the conversation. Posner said like in the old days where they walked a beat and just had a presence down the street. When he lived in Santa Cruz, they added an auxiliary after the earthquake and kept it. Officers just walk up and down and interact with the people. Huster said, being on the budget committee, every year there's a request for more officers that don't get funded. So you can put a building, but then there's the ongoing struggle with funding a position. Howard thought it was a valid point and maybe we should throw that back to the City folks and say this came up if it can't be here, where can it be; and is it something that we want to look at the Police budget. Just say the issue was raised, and let them grapple with where's the appropriate place to deal with it. Posner said some businesses may even donate space with a desk and a phone. Chandler said, as Huster had mentioned, she's not sure there are resources for an officer to be dedicated to this strip; but just having a very visible presence right on 101 in regards to the transient population. Huster said or a volunteer thing. Tokos noted that Davis just brought up that as part of the parking reconfiguration of the City Hall campus to accommodate the aquatic facility, the police access to 101 will be changed; it will be directly onto 101. Chandler said in economic development courses, they talk about the broken window issue. If you get one broken window and don't deal with it, you get more broken windows. You get a little bit of graffiti and don't deal with it, you get more graffiti. So, she sees having a visible police station on 101 having a tremendous effect. She's glad they will have direct access.

Bauman said if the five goals and all of the objectives were used to create the project list, it might be good to have which goals are addressed by this project. Relate them to each other. She doesn't see multi-modal or the housing, and she wondered how those things cohere to each other. She said this is just kind of an overall comment, which might make it more coherent to the public. Tokos thought some of that too will need to come in when the Plan is actually drafted. He said that's a good point, but Howard will put more detail to it; and a lot of this will be linkages. Howard said typically she tries to arrange them so that they fall in the same order. She said we'll tie them together better. Geltner noted that at one of the earlier meetings Howard covered the point about don't get too specific too soon. Howard said a lot of this gets fleshed out as you do your Refinement Plans. This gives authority to do a broad range of activities; and then once you do those other plans, you know specifically what you want to do.

Howard skipped forward to the goals and objectives for McLean Point and said if there was time, we'd come back to these other slides. Some of this could go to the next meeting. The main goal of McLean Point is public involvement. Then the slide talks about who that advisory committee might be. She and Tokos talked that it probably makes more sense for that advisory committee to be the Port Commission rather than the Planning Commission in that area, and then have ad hoc committees similar to what we talked about for the other area. That seemed to work for everybody.

Howard noted that the second goal is public partnerships with the Port. These come out of the different plans that already exist on working with the Port in collaboration. The objectives are collaborating with them on the implementation of its Capital Improvement Plan; coordinate adequate infrastructure; and coordinate the provision of infrastructure to the International Terminal.

Howard said the economy goal is to collaborate with the Port on the implementation of its Capital Improvement Plan; create conditions that are attractive to the growth of existing business and attracts new businesses. She thought it must be "business"

in the Plan because here again she has “business” without the “es.” And finally to provide an adequate number of sites of suitable sizes, types, and locations to accommodate a variety of economic opportunities. She noted again those come mostly from the Economic Opportunity Analysis.

Howard said Goal 4 is to build the infrastructure and the transportation system within the Area. So those projects are directly related to the utility infrastructure. They are just reiterated under infrastructure the same as we did in the other Plan. Tokos said he had adjusted the goal language a little and made it cleaner with respect to what we’re talking about. Tokos said this is not only about providing infrastructure to support the Port Terminal site but neighboring industrial property. He just wanted to recognize that that’s what this is about; extending infrastructure to neighboring industrial properties, and it will help the Terminal in the process. He said that’s the nature of the change.

Howard said they also did the Fiscal Stewardship here for the Port, but they didn’t talk about under-levy because that area is so small and had such a small maximum indebtedness that you don’t even want to consider doing an under-levy there. You’re most likely never going to get enough increment to do revenue sharing within that Area. So they compressed the Fiscal Stewardship goals there. Croteau had some wordsmithing on this one. He said “transportation system” becomes “transportation infrastructure,” “annual activities” becomes “annual project and financial activities,” which is in line with the other area. Howard said she will make sure that once they make changes in the one, they happen in the other.

Showing the next slide, Howard noted that the McLean projects are the ones we’ve talked about; and they haven’t changed.

Going back to the slide on amendments, Howard noted that we’ve talked about levels of amendments and about advisory committees. She said the two amendments that are required by statute to be substantial amendments are increasing your maximum indebtedness and adding acreage over your 1% of existing area. A substantial amendment takes a lot more time and a lot more process. You have to notify all of the citizens in your community, and you have to go through Planning Commission. It’s a big process. Usually if she does that for a community, it costs between \$20 and \$25 thousand. You have to go back and say how the area is still blighted, and you have to do all of the existing conditions analysis. So it’s a big deal to do a substantial amendment. She really encourages communities not to add anything to this level. If you want another level of amendment over what the Urban Renewal Agency can do, then you create another level of amendment and require some other thing; but don’t pull it up into this one that will cost so much. She encourages us to just keep substantial amendments at that. She said if we just have that as a substantial amendment, everything else gets thrown into a minor amendment, which can be done by the Urban Renewal Agency. However, when we were talking earlier, we talked about maybe wanting another level of involvement on amendments since the Agency is our City Council. She said maybe what we need to do is create a category that’s called major amendments and specify what are those things we think would compel more public involvement than just making changes to the budget or deciding which project goes first. She said a lot of times that category will be the inclusion of a new project that costs over “x” amount of dollars, and it’s usually written in plans as \$500 thousand (a big project), and it’s indexed by inflation. So it’s not just \$500 thousand today, and in twenty years it’s still \$500 thousand; it would be indexed as each year goes along. That becomes a level of a project where people think if you’re going to make that big of a change, you ought to get more public involvement. She said we may think of other things where we think it’s more important than just having the Agency be able to do it themselves, and you want to bring in an ad hoc committee to do that. She said if we don’t have enough time to talk about that at this meeting, we’ll finish that discussion at the next meeting.

Tokos asked Howard if she could talk a little bit about the length of the district and whether or not that can be restricted or require some sort of an amendment to extend its life. Howard explained that it used to be Urban Renewal Plans had termination dates; the Plan would last 25 years or a specified time. That was before Urban Renewal Plans had to have a maximum indebtedness. The termination date used to be the controlling feature of an Urban Renewal Plan. Now Plans are controlled by, “we’re only going to spend \$42 million on projects, programs, and administration.” The reason she doesn’t like to put termination dates in those is you can have an economy like we did for the last five years where you have no growth and it wasn’t projected in your original Urban Renewal Plan; and therefore you’ll get to the end of your plan and will not be anywhere near your \$42 million of maximum indebtedness. So, you don’t get to do the projects that you’re going to do. On the other hand, there can be a really good economy, and you do the projects earlier. Typically on new plans she doesn’t like to recommend that there’s a termination date in it. She gets overruled sometimes, and we put it in because that’s what the community wants. She said if you put a termination date in a plan, then usually you have a provision in your amendments about how you can amend that termination date; is it amended by a minor amendment, a major amendment, or a substantial amendment. She’s never seen a termination date that didn’t have to be amended. When we do these, we’re forecasting out 20-25 years, and you never really know. You can do it based on economic models, but you can’t assure that amount of growth in that amount of time or what might happen. She personally doesn’t like termination dates; but it might be something that this community feels is really important. Tokos takes her point, but he thought it might be worth putting in on the end of it as a termination date that can be extended through a major amendment and engagement of the taxing entities. He thinks if we’re not collecting the county increment that we need to or circumstances prevent us from being able to accomplish a reasonable number of these projects by that time, we need to have that conversation. He doesn’t see any harm in it. He would add not only addition of acreage over 1% “or reduction of acreage” (pulling it out of your Urban Renewal Area). He thinks it’s unlikely that that would happen; but he knows in our history we have

taken land out of the Urban Renewal Districts in the past, and it does impact what you can collect. Howard asked if he would want that as a substantial amendment; and she was told, no a major amendment. Howard said places where she's seen them pull out land, they've done it for a couple of reasons. In Wilsonville they're pulling out land to accomplish that under-levy. They're giving increment back to the taxing jurisdictions by pulling out land where the projects are already completed. She is working with the City of Phoenix, Oregon; and they are pulling out land that they see they put in but it isn't really ever going to be developed and it's causing a problem with their 25%. She said remember she told us we could only have 25% of our acreage in Urban Renewal. They're right up against that limit, and they want to be able to use that authority someplace else.

Tokos said what we're talking about is in those circumstances, if we call it a major amendment, then we're doing significant outreach. Howard said one thing under a major amendment level would be a timeframe. We won't know that yet. Her partner consulting firm, ECONorthwest, is working on the financials now. They'll be able to tell us when, given their economic model, we should get to that \$42 million. We'll know what number of years that is, and then we can talk about the timeframe and decide what that timeframe ought to be. So the two things under a major amendment would be a timeframe and working with the taxing districts to change that; and secondly the deletion of acreage over 1%. Tokos thought the same threshold it is for addition. Bauman said that she likes the idea of a termination date. One reason is the perception in the community amongst other taxing districts. Without it, they might react like this is going to go on forever; there's no end in sight. The other reason is just by having a deadline she finds it helps her get projects done; that things that sunset have an urgency about them. She said these are perception-type things. Bauman recommends a termination date.

Tokos thought the threshold on a new project makes sense. He thinks we want to be really clear what we're talking about though. We're talking about new projects that are not covered under the categories listed already. So we do a Refinement Plan for example with all that public outreach, and that leads to the refinement of these existing categories (our targeted improvements); that would not turn around and necessitate a major amendment because those categories are already on the list. For example, public safety is not on there now, and down the road there's a push to put that on there; that would be a new project. That then would necessitate a major amendment. Howard asked if the \$500 thousand level works; that's what's typical on that kind of amendment. Nebel asked if there's a difference between major and substantial. Howard explained that substantial would be just those two things. Tokos said major is when we would pull in the ad hoc committee. Talking about the level, Howard threw out \$500 thousand saying that's just a typical value that's used. Tokos said that's fine. Belmont liked that being indexed. Howard said it is indexed. She said they usually index it by the inflation rate that we use in the Plan; so when we do the financial projections in the Plan, they tie it to that. Belmont asked Tokos if he's talking about new projects. He said for instance say the transportation system project spent only \$8.5 million rather than \$12.5 million, the rest of that could be reallocated within those projects without having to do that amendment. Tokos said that's correct; as long as the funds are reallocated to something that is already on the list conceptually. He said, for example, a new project in his mind is something that wasn't really envisioned and discussed when this list was put together, and therefore warrants that kind of outreach because it's a type of improvement that wasn't envisioned originally. Howard said so say somebody decides to put a heliport in town, and you decide it's really going to be good because it's going to do "x". So, you say the only way we're going to be able to do that with Urban Renewal funds is with a major amendment.

Howard said we can come back to this, but let's define a major amendment. She said it would require Planning Commission review and input from an ad hoc committee. Busby asked, it still goes to the Council; and Howard confirmed that. She said it has those two layers. Tokos said a minor amendment just goes to the Urban Renewal Agency, which is the Council, for a resolution. Howard said it's approved by the Agency themselves.

Howard said that's all the committee has for today. She had told the public that she would stay and talk with them if they had questions.

Tokos noted that they put together a questionnaire for tonight's meeting. He asked the members as they leave to take one and look at it. If there are people they would like to share it with, that's fantastic. There will be a whole stack of these for people tonight as well. After they hear Howard's presentation and have a chance to digest what Urban Renewal is, they can take a few moments to fill this out; and we'll collect all of that and share it with the committee at the upcoming meeting.

Howard asked for a show of hands of how many members were planning on coming tonight.

Adjournment. Having no further business to discuss, the meeting adjourned at 12:00 noon.

Respectfully submitted,

Wanda Haney
Executive Assistant